

Iowa Department of Administrative Services



Fiscal Year 2010 Annual Report

November, 2010

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By the Marketing & Communications bureau of the Iowa Department of Administrative Services.
November, 2010

<http://das.iowa.gov>

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LETTER TO THE GOVERNOR, LT. GOVERNOR AND IOWA GENERAL ASSEMBLY
November, 2010

Dear Governor Culver, Lt. Governor Judge and Members of the Iowa General Assembly,

On the behalf of the Department of Administrative Services (DAS), I am pleased to submit our Annual Report, representing fiscal year 2010.

Established on July 1, 2003, DAS is a consolidation of the departments of General Services, Information Technology and Personnel as well as the Accounting Bureau of the Department of Revenue and Finance. When created, DAS committed to these goals:

- Improve service to customers,
- Save money,
- Streamline, and
- Enhance resource flexibility for state government managers.

2010 marks our seventh year of providing customer agencies with the best possible products and services. We believe that, during FY2010, we continued to improve on the concept of *entrepreneurial management* at a time when state government was enduring considerable budgetary stress.

When a ten percent across-the-board cut was ordered, we lowered our rates or rebated funds. When a comprehensive study on cost savings and other efficiencies was published, we led the effort to implement change through executive order and reorganization legislation. DAS was also called upon to administer a significant early retirement program with over 2,000 participants. I hope you will agree that, throughout the many challenges faced by all agencies, DAS has continued to deliver the same high quality of service and support.

As state government continues to recover from the national economic hardships of the past two years, you can count on DAS to continue to operate efficiently and effectively while ensuring that our customer agencies are able to better serve the citizens of Iowa.

Sincerely,

Ray Walton
Director

Fiscal Year 2010 - A Time of Historic Challenges

Fiscal Year 2010 was an historic period in state government – not just in Iowa but across the United States. The deep recession that struck the nation in 2008 has proven to be a challenging event from which to emerge. The primary drag on recovery – persistent unemployment – continues to burden Iowa's citizens and their government. And, although the economy is slowly rebounding, state government has yet to benefit from such positive growth.

The needs of Iowa's citizens, however, do not diminish when the State is financially challenged. Families need assistance. Communities need protection. People need to know that the services being provided for their well being will continue. In reality, demand for most state funded social services rises with a struggling economy. Fortunately and despite such increasing pressure, state government was able to continue to provide critical services and assistance to citizens in FY2010 and, because the Department of Administrative Services (DAS) was well aware of the budgetary demands faced by other agencies, public missions could continue because

DAS was progressive in adjusting its business model in order to facilitate client agency needs. Providing the same services and products with reduced income required DAS to implement operational efficiencies such as smaller staffs, modified schedules, cross-training and by adding duties.

From 2003 - when DAS was created – to 2009, consolidating the central administrative functions of state government was not always a priority, largely because agencies had been given enough operational autonomy to allow them to make independent decisions in conducting their core missions. But, as state government faced multiple financial crises, DAS proved capable of stepping into the fray to lead a larger, coordinated effort in reforming government in order to create greater efficiencies, cut duplication and reduce costs. This role was confirmed by two major events in FY10. Governor Culver's Executive Order #20 (appendix), issued December 16 and in response to a far-reaching analysis of state government operations conducted by Public Works, assigned a great deal of the responsibility for improving operations to DAS. Then, during the 83rd General Assembly, SF2088, a bill to reorganize state government that passed with overwhelming bipartisan support, assigned a great deal of the responsibility for implementing reorganization and consolidation to DAS.

Although much of the effort to reorganize and consolidate government services extends well beyond FY10, DAS has clearly demonstrated an ability to work with other agencies in the mission to make state government more efficient and effective. Clearly, legislation to create a central administrative agency has proven to be instrumental in successive efforts to realize savings and greater institutional efficiencies. As the overall economy continues to improve and public revenues rebound, DAS will continue its mission to support effective and economical government.

DAS Background

The Department of Administrative Services (DAS) was established on July 1, 2003, following legislation to consolidate agencies central to the functioning of state government. Before the formation of this centrally-oriented administrative department, many specific functions, such as personnel, procurement and the management of information technology, were scattered throughout state government with limited standards or consistency. By merging former agencies that included the Departments of General Services, Information Technology, Personnel and the Accounting Division of Revenue and Finance, the strategy of creating a more efficient organization focused exclusively on the administrative needs of all of the Executive Branch was enacted.

In its relatively short, seven-year, history, DAS has continually improved its operations in order to provide quality services and products to its agency customers. Clearly, as is the case when any reorganizational effort is implemented in a large public entity such as state government, adoption can be a challenge. This was definitely the case when DAS was created, particularly in light of new public management strategies put into place at that time. Over time, however, customer agencies have grown more accustomed to an innovative form of public management called the *entrepreneurial model*.

The Entrepreneurial Management Model

Iowa was the first state in the nation to create an *entrepreneurial management* system, where customer service and an overall retail mentality is a central premise. Succeeding in this initiative has required strong leadership, vision and an agency-wide commitment to service and response – whether an employee is a chief operating officer or a custodian.

Essentially, the entrepreneurial model is based on simple economic principles of supply and demand. Customer agencies need services and DAS provides those services at an agreed upon price. The customer does not receive services it does not require and therefore supports a more efficient apportionment of services and, more importantly, the customer agency has a much better understanding of the resources actually needed and used, cutting waste and any risk of year-to-year budget creep.

DAS consists of four primary enterprises:

- General Services Enterprise (GSE)
- Information Technology Enterprise (ITE)
- State Accounting Enterprise (SAE)
- Human Resources Enterprise (HRE)

Additionally, DAS Core consists of Finance, Marketing & Communications and the office of the Director.

Rates, Rate Structure and the Customer Council

Nearly 90 percent of DAS revenue consists of services delivered to customer agencies. The remaining portion of the budget is appropriated by the Legislature and funds DAS-Core and SAE (enterprises that do not have services to market to other agencies).

There are two types of rates – *utilities and marketplace*. Utilities are those services that are common to all customer agencies and are essentially a requirement of doing business. Examples include space management, personnel services, benefit administration and information security. Marketplace services are those which customer agencies can choose to purchase from DAS or from other approved vendors and include many information technology services, vehicle leasing, printing and carpentry/painting services.

Utility rates are based on an economy of scale and common criteria such as the number of employees working in a particular agency or the amount of office space utilized. A listing of utility rates for FY2011

(DAS Background continued)

and FY2012 is included in the appendix of this report. Utility rates must be approved by the DAS Customer Council, which is described in further detail later in this report. Marketplace rates are determined after considerable analysis of the cost of development and delivery of services. Information Technology rates, in particular, have been refined (and, in most cases lowered) following an Activity Based Costing study conducted in partnership with IBM. This process takes into consideration all costs of creating services, including technology, physical space and even the cost of maintaining a specific room temperature. The DAS Customer Council does not govern marketplace rates.

Prior to approval by the Customer Council, proposed utility rates are sent to agency directors and chief financial officers for a 30-day comment period which is available via the DAS website. Once comments have been

(DAS Background continued)

collected and resolved by the Council, they are published nearly a year in advance of the fiscal year for which they apply, giving agency financial planners adequate time for budgeting.

The DAS Customer Council

When DAS was created in 2003, there were four Customer Councils, each overseeing the rates of the specific DAS enterprises. Legislation to modify this structure was passed in 2009 and, today, there is one Customer Council with overseeing authority shifted to the Department of Management. The Director of DOM (or a designate) chairs today's DAS Customer Council and the Director of DAS (or a designate) co-Chairs. The Council consists of four representatives from large state agencies (700 or more employees); four representatives from medium-sized state agencies (70-700 employees); three representatives from small state agencies (fewer than 70 employees); one representative from the Judicial Branch; two representatives from the Legislative Branch (one each from the House of Representatives and the Senate); as well as non-voting ex-officio members.

Clearly, the DAS Customer Council serves as an excellent mechanism with which to stay connected to customer agencies and continue to operate with better understanding of their needs and expectations.

Meeting a Diversity of Tests

The worldwide economic recession that developed in December, 2007 continued to have a prevailing effect on Iowa businesses and citizens. Revenue projections assembled by the Iowa Revenue Estimating Council for Fiscal Year 2010, first estimated in October, 2008, showed a decline in each successive report, spiraling downward over \$600 million until the last projection for that fiscal year in March, 2010. Even though the recession was declared officially over after two consecutive months of economic growth in December, 2009, this modest recovery wasn't robust enough to translate into a significant increase in public revenues.

Anticipating a historically slow economic recovery and its impact on state revenues, on October 8, 2009, Governor Chet Culver issued Executive Order #19, a directive to cut all department budgets by ten percent. In response to this order and to communicate with its customer agencies its understanding of the challenges they faced, in addition to cutting its own budget by that amount, DAS moved to cut the rates charged to its customers by ten percent and, in those cases where a cut in rates was not possible, to provide a refund of ten percent. With approval of the DAS Customer Council, DAS executed the plan, 'returning' \$3,196,962 to customer agencies.

Still, agencies understood that, even with these returns, they faced an unavoidable choice in having to reduce their workforces. DAS provided assistance in developing layoff plans that were, in turn, submitted to the Department of Management. An estimated 792 jobs across the Executive Branch would likely be eliminated. Fortunately, such harsh action was avoided.

In November, Governor Culver ordered all contract-exempt employees (those not covered directly by collective bargaining) to take seven days of unpaid mandatory leave (furlough) by the end of the fiscal year. Additionally, the Governor ordered department directors to cut their salaries by ten percent (as he did his own). Then, and despite a history of employee unions rejecting the concept of furloughs for their members, the Governor negotiated with AFSCME and SPOC, two of the three organizations representing state workers, to craft a historic agreement for contract-covered employees to take 40 hours of mandatory unpaid leave before the end of the fiscal year (June 30, 2010). Additionally, the State ceased its contribution to the deferred compensation program through the fiscal year. The combined savings from the agreements were estimated to be \$27,483,245 and the agreement guaranteed that no contract-covered worker would lose his or her job in FY10.

Discovering Further Efficiencies

In 2009, the Culver administration contracted with Public Works to analyze state government operations and provide a report on measures that could be taken to increase efficiency and save money while continuing to serve the people of the state. Because of the acute financial challenges facing state government, the fact-finding stage of the Public Works project needed to be completed on a relatively short timeline without sacrificing sufficient detail and comprehension while still allowing agencies to perform their core missions. This process entailed in-depth interviews and fact finding with agency leaders and resulted in a 100-page report listing projected savings of up to \$1.7 billion over a 5-year period of implementation.

Earlier in the year, a joint committee of the Iowa Legislature, led by Senator Staci Appel and Representative Mary Mascher, embarked on a months-long effort to research and analyze executive branch functions with a goal of reorganizing state government to a more efficient and manageable model. Because so many administrative functions of government, including IT, procurement and human resources were a part of this research and have some degree of connection to DAS, we worked closely with the committee to provide information and background. The joint committee also utilized information reported from the efforts of Public Works.

Implementing Change

Because of the immediacy of the financial challenges state government faced, Governor Culver acted quickly with the information presented to him from Public Works by issuing Executive Order #20 on December 16, 2009. EO20 listed 39 specific directives for agencies to implement that did not require legislative action. Fifteen of those directives were the direct responsibility of the Department of Administrative Services. Initiatives specific to DAS include:

- Consolidate Information Technology (IT) planning and operations to the extent reasonably possible
- Consolidate all state email systems
- Consolidate wireless equipment purchasing and service contracts
- Negotiate statewide IT technology service contract
- Negotiate statewide IT and office equipment maintenance contracts
- Increase the use of new technologies such as Thin Client
- Reduce the size of the state motor vehicle fleet and change mileage and take home policies
- Require state agency purchasing from master contracts
- Eliminate the least efficient state print shops
- Modify and simplify the entrepreneurial model
- Consolidate state agency mailrooms and modify mail delivery policies
- Expand the use of state garages to reduce the costs of contracted private garages
- Conduct energy efficiency retrofits for state buildings
- Require newly-hired state employees to use payroll direct deposit
- Conduct an audit of state employee health insurance enrollees to identify ineligible dependents

(Efficiencies continued)

Additionally, EO20 instructed the Directors of the Department of Administrative Services and Management to further analyze five other initiatives, two of which directly apply to DAS. Those are:

- Launch employee wellness initiatives
- Require family enrollment in health insurance when spouses are both employed by the State

EO20 also required DAS and DOM to provide bi-annual reports on progress and, working with IT professionals from across the executive branch, DAS has launched a website to report progress on IT consolidation at <http://iteredesign.iowa.gov>

Reorganizing State Government

When the General Assembly convened in January, work on the effort to reorganize began immediately by the joint Government Reorganization committee. The result was Senate File 2088, which passed with overwhelming bipartisan support and was quickly signed into law on March 10, 2009. Again, the Department of Administrative Services was tasked with implementing much of the legislation, projected to save the State \$125 million.

Key elements of this sweeping legislation relating directly to DAS include:

- Consolidation of Information Technology processing to DAS while most applications management will reside in 'home' agencies
- Creation of the Technology Advisory Council to determine standards for IT purchases across the Executive Branch and to approve these purchases
- Consolidating all purchasing and requiring DAS to enforce procurement standards and use of master contracts with other agencies
- Lowering the threshold for Income Offsets and casino winnings from \$10,000 to \$1,200

State Employee Retirement Incentive Program

Fiscal Year 2010 was a time for cutting costs throughout every level of government. Historically, one of the most utilized strategies for reducing costs has been to lighten payroll by providing eligible employees with incentives to consider retiring early from public employment.

DAS worked closely with the Culver/Judge administration and legislative leaders to craft the State Employee Retirement Incentive Program (SERIP), signed into law February 10 after broad bipartisan legislative support. The program was available to any Executive Branch employee 55 years of age or older. Incentives included:

- \$1,000 incentive pay for every year of state employment, with a ceiling of 25 years (employees with more than 25 years of experience could still participate but could not receive incentive pay for any time beyond that ceiling). Incentive pay to be made in five annual payments (20% every year).
- Cash payout of accumulated vacation, combined with incentive pay on a 5-year payout schedule (20% every year).
- \$2000 incentive to assist with payment of the state portion for continuing health insurance coverage.

The program, with anticipated savings of \$60 million, also prohibited any participant from returning to state employment. To ensure long term savings, the Department of Management issued key guidelines to departments regarding refilling positions vacated by SERIP. Agencies were instructed to fill half of the vacated positions at half the salary of the person departing and were required to submit rehiring plans for approval before moving forward.

A total of 2,067 employees took advantage of SERIP and the processing of these applications fell entirely with DAS-HRE. Although eligible employees could enact their plans as early as mid-April, the majority of participants opted for the last possible day of retirement – June 24. DAS-HRE staff worked closely with participants to answer questions and ensure that the proper channels were followed, including meeting with IPERS representatives.

General Services Enterprise (GSE)

The Department of Administrative Services – General Services Enterprise (GSE) administers several key functions of governmental operations, including:

- Fleet and mail services
- Procurement
- Architecture and Engineering
- Capitol Complex maintenance
- Leasing & Space management
- Energy management

Major Storms, Major Challenges

With record snowfall hitting Iowa in the winter of 2009-2010, the challenge of dealing with so much severe weather truly became a matter of doing more with less. Caring for the grounds of the Capitol Complex (as well as all interior spaces) is funded by Association Fees utilities charged to all customer agencies. The rates for this utility were lowered to \$2.96/sf from \$3.29/sf so, when faced with a winter season of historic severity, staying within budget required the best possible management of time and personnel. This was accomplished, in part, by cross training the crew of 8 individuals (and 5 other employees available during more severe storms), limiting overtime, prioritizing certain areas for quicker cleanup and improved storm monitoring via the Internet.

By the end of the exceptionally long winter, GSE-CCM crews used 5,400 pounds of salt and 50 tons of sand/salt mixture to keep 11 miles of sidewalks and 4,000 parking spaces clear and safe – including hauling 3,750 tons of snow off the complex. Most importantly and in the face of such daunting conditions, this effort was completed for \$84,647, more than 15 percent under the annual budget.

Safeguarding Precious Infrastructure

Iowa Code directs that DAS request one percent of the replacement costs for state-owned vertical infrastructure to be 'disbursed' to operating agencies (most prominently the Department of Human Services and Department of Corrections).

Although lower revenues and the subsequent impact on governmental operations are understood, a shrinking pool of funding for the upkeep of public buildings should be a concern throughout state government. Building needs that first appear to be minor evolve into major issues if deferred from year to year, increasing overall costs.

With annual funding for infrastructure falling well short of targeted levels, DAS maintains a priority listing of the most critical needs. Until state revenues return to normal levels, however, we anticipate that the trends of under-funding vertical infrastructure will continue. For FY11, zero funds were appropriated for infrastructure repair.

Everything Old is New Again

On December 1, 2009, the State of Iowa took possession of the former Mercy Capitol hospital. While originally purchased as part of an overall plan surrounding the construction of a new office building on the north part of the Capitol Complex, the future of Mercy Capitol began to change when expansion plans were shelved due to budget constraints and economic forecasts for the next several years. Quite simply, the state could not afford a new office building at the time but was nevertheless the proud owner of a challenging building that is providing an excellent location relative to the rest of the Capitol Complex.

(GSE continued)

Because this property came into the State's possession at a time when many agencies that are located off the Capitol Complex were experiencing added budget strain (lease rates in commercial buildings are much higher), the newly acquired space seemed the logical solution for any agency needing to cut operating costs. The former hospital has never been considered as a long term solution for addressing workspace needs on the Capitol Complex.

At an unrelated meeting, the Director of DAS became engaged in a conversation with the President of Des Moines Area Community College and it soon became apparent that the former Mercy Capitol could provide solutions for both parties. DMACC made a commitment to expand its nurse education program into the building (classes began in August) and DAS was able to provide an excellent example of how the public sector can share resources and create effective new partnerships.

Additionally, the Iowa Department of Corrections has moved into space to operate its Central Pharmacy – something the agency has not been able to establish before. This building provided the space they needed to create a more efficient and cost-effective pharmaceutical distribution network.

Other tenants committing to the building include the Ombudsman Office for the Department for Aging and the Iowa College Student Aid Commission.

Responding to EO20 and Other Cost Savings Measures

Governor Culver's Executive Order # 20 contained 5 directives falling under the authority of GSE. Those initiatives and the steps GSE has already taken in response include:

Reduce the size of the state motor vehicle fleet and change mileage and take-home policies

DAS-Fleet worked with customer agencies to arrange for returning any vehicles not driven at least 14,000 miles a year to the general pool. Additionally, DAS-Fleet increased the 'turn in' mileage on agency-controlled vehicles from 80,000 to 120,000, greatly affecting the turnover cycle of vehicles and saving approximately \$7 million. Additionally, memos were issued to all state agencies reminding them of vehicle take-home policies.

Require state agency purchasing from master contracts

GSE-Procurement has held a series of workshops related to purchasing off master contracts and continues to develop strategies to improve outreach and communications with individual agencies.

Consolidate state agency mailrooms and modify mail delivery policies

Work is ongoing in this process, including assuming and modifying larger agency mail operations such as Iowa Workforce Development.

Expand the use of state garages to reduce the costs of contracted private garages

The hourly rate for the GSE-Fleet garage is \$64, compared to private garages that exceed \$100 for the same time. In the first two months of FY11, business in the central garage was nearly doubled.

Conduct energy efficiency retrofits for state buildings

Currently, no funding for accomplishing this directive is available. Nevertheless, the Capitol Complex has been recognized nationally for its preemptive efforts to reduce energy use and instill a greater sense of efficiency and conservation.

(GSE continued)

Further Efficiencies

In order to attempt to discover every possible avenue of savings, Governor Culver approached GSE-Leasing and Space Management to contact property owners of facilities leased by state agencies in outlying Iowa communities to investigate the possibility of renegotiating existing leases. After contacting property owners, staff was able to find \$3,607,059 in savings over the extended periods of the leases.

Another trial in costs savings initiated by GSE-Fleet is the implementation of GPS monitors in vehicles. Trial results are pending but this appears to be an effective strategy in reducing waste and increasing efficiency in fleet operations.

In past years, GSE-Fleet has conducted quarterly vehicle auctions at the State Garage. While these events were popular with buyers, they also required considerable staff time (and overtime) as well as closing down all mechanical activities for days at a time in order to facilitate the event. In order to save costs, GSE-Fleet has been migrating vehicle auctions to an online setting. In addition to saving staff and facilities time, this solution appears to be as profitable as a live auction although, with the higher 'turn in' threshold, revenue from vehicle sales has been lowered.

Information Technology Enterprise (ITE)

The Information Technology Enterprise (ITE) is essentially the center of the computer universe for state government in Iowa. While agencies throughout the Executive Branch have maintained IT staffs specific to their particular needs, ITE was established as the central authority when the Department of Administrative Services was formed in 2003 and, with recent efforts to consolidate state government, this enterprise has been the logical starting point for consolidating information technology so that it can be more efficient and effective.

ITE functions and activities include:

- **Information Security Office (ISO)** – Providing computer/network protection against cyber attack.
- **Integrated Information for Iowa (I/3)** – Maintaining computer systems for the State's Enterprise Resource Planning System.
- **Infrastructure Services** – Management of the State's data center, including mainframes, hosting agency servers, supporting desktop computer services (including Help Desk) and printing.
- **Applications & e-Government** – Developing technology solutions, including web-based applications for customer agencies.

A Change in IT Leadership

In January, 2010, John Gillispie, ITE's Chief Operating Officer, departed state government for other opportunities. Gillispie was instrumental in building ITE into a model of entrepreneurial management and, in addition to serving Iowa well, also served as President of the National Association of State Chiefs of Information Technology. Fortunately, ITE's Deputy Chief, Lorrie Tritch, was prepared to assume the duties of Interim Chief Operating Officer immediately.

Prior to government reorganization legislation, the COO of ITE also served as Chief Information Officer (CIO) for the Executive Branch. SF2088, however, established the official position of CIO as a Governor-appointed position that will direct the overall information technology strategy for state government from the Department of Management. The ITE-COO will work with the new technology chief when that position is filled.

A Natural Center of Reorganization

Because of the creation of DAS in 2003, the seeds of centralization already existing in ITE were quickly brought to fruition by Public Works in its study of increasing government efficiency and by the Joint Committee for Government Reorganization. A combination of resident expertise, existing technology and a degree of governing authority over major IT purchases should facilitate a relatively orderly consolidation process.

While the initiatives to consolidate IT across the Executive Branch evolved in FY10, progress on these initiatives continues into the succeeding fiscal year so any summary of this effort will include some blurring of the lines between the two fiscal years.

Specific directives of Executive Order 20 regarding IT consolidation included:

- Consolidate IT planning and operations to the extent reasonably possible
- Consolidate all state email systems
- Consolidate wireless equipment purchasing and service contracts

(ITE continued)

- Negotiate statewide IT technology service contract
- Negotiate statewide IT and office equipment maintenance contracts
- Increase the use of new technologies such as Thin Client
- Eliminate the least efficient state print shops

Steady progress on these initiatives continues and is regularly updated on an Information Technology Reorganization website at <http://itredesign.iowa.gov/>. This progress is particularly encouraging when taking into consideration previous efforts to consolidate IT functions in government in Iowa as well as other states, where individual agencies grew their own enterprises over time, resulting in greater challenges to create a centralized structure.

A key dynamic of the projected success of IT consolidation is the participation of lead information technology professionals from various-sized agencies. Representatives from the Departments of Natural Resources and Human Services as well as others have served on various committees in order to implement strategies for consolidation. Additionally, the implementation of the State Employee Retirement Incentive Plan (SERIP) resulted in the exit of several IT professionals from various departments, diminishing the occurrence of any pushback from agencies concerned about losing autonomy or power.

Meeting Budget Cutting Challenges

Departments across the Executive Branch all faced difficult choices in meeting Governor Culver's ten percent across the board budget cut in FY10. In DAS-ITE, the challenge was met in a number of ways, including:

- Reductions in hardware and software maintenance contracts that, in some instances, resulted in 30 percent reductions in annual maintenance
- Consolidation of purchasing for statewide software agreements in order to leverage better prices
- Increased use of virtualized servers which reduced the need for new or additional physical hardware
- Limiting overtime to emergency situations, which delayed customer service timelines
- Cutting travel and training
- Delay of certain computer security purchases

The Rise of Computer Security Issues and Needs

The mission of the Information Security Office (ISO) is to provide protection to state computer systems and networks at a time when global cyber crime continues to rise. While some basic security services are provided as utilities, more in-depth protection is classified as a marketplace service. Agencies choosing to purchase IT protection from commercial vendors do so at significant risk.

DAS-ISO's bona fides in cyber security have been enhanced with involvement in the national Cyber Storm exercise conducted by the Department of Homeland Security. Chief Information Security Officer Jeff Franklin played a leadership role in a biennial exercise that demonstrated the State's ability and focus on this critical issue.

DAS-ISO is dedicated to employing every possible technique and technology to defending state computer systems. Unfortunately, when agencies choose to not use ISO's expertise and counsel, they run an increasingly severe risk of compromising important information and processes.

As consolidation of IT systems across the Executive Branch increases, security of those systems will be more easily managed and maintained.

Human Resources Enterprise (HRE)

The Human Resources Enterprise of the Department of Administrative Services works closely with agencies throughout state government to deliver personnel products and services. Key functions of HRE include:

- ***Risk and Benefit Management*** – Administering insurance and payroll deduction products, workers' compensation and various pretax programs.
- ***Employment Services*** – Managing employment application intake, recruiting and diversity processes as well as monitoring and reporting on workforce data.
- ***Program Delivery Services*** – Advising agencies on personnel matters, labor union negotiations and implementing a comprehensive training and continuing education program.

Avoiding Worst Case Scenarios and Dealing with the Inevitable

Anytime a fiscal year includes agencies having to develop layoff plans, the added challenges for an enterprise solely focused on human resources issues are plentiful. Fiscal Year 2010 was clearly trending this way following Governor Culver's Executive Order #19, issued on October 8, 2009, directing departments to trim 10 percent from their respective budgets. These cuts were deep enough to force departments into action no employer relishes – layoffs.

HRE worked closely with every Executive Branch agency to develop specific layoff plans in order to comply with Iowa Code and collective bargaining agreements. When submitted to the Governor, the report indicated that 792 state employees faced certain termination from their jobs. Fortunately, working with HRE, Governor Culver reached an historic agreement with AFSCME, the state's largest public employee union, and the State Police Officers Council (SPOC) to agree to 40 hours of unpaid leave as well as suspension of the State's share of the deferred compensation program. The deal was quickly ratified by union membership on the eve of the holiday season, saving an estimated \$26,409,578.

While some departments, including DAS, were still forced to lay off a limited number of contract-exempt employees, a larger reduction in workforce was avoided. Nevertheless, HRE was forced to respond to EO #19 by reducing utility rates by 10 percent and terminating 3 employees – including half of the staff of Professional Development Solutions, the state's training and education program, leading to further challenges in meeting another initiative mandated by the Governor.

Diversity Training on a Grand Scale

Governor Culver's Executive Order # 4 required every employee in the Executive Branch to participate in diversity training. PDS was assigned this task and, in FY2010, finished oversight of training for over 20,000 employees. The half-day sessions were conducted throughout the state in order to avoid requiring state employees to travel to the Capitol. This mission, conducted in the midst of stressful budgetary times throughout government, confirmed the determination and resolve exhibited by so many in the public sector.

(HRE continued)

Implementing a Massive Exodus

With an eligibility pool of over 6,500 employees, the State Employee Retirement Incentive Program (SERIP) promised to be one of the most widely popular and effective early retirement programs ever enacted in state government. Key features of SERIP included:

- Eligible employees had to be at least 55 years of age
- Eligible employees had to have at least 10 years of state employment in order to receive the incentive payout
- Participants received \$1,000 incentive pay for every year employed, with a maximum payment of \$25,000 (employees with more than 25 years in state government were still eligible but were not allowed to receive more). This incentive, combined with banked vacation time, is to be paid through annual installments over a five year period
- Participants received \$2,000 incentive (upon departure) to be used to assist with payment of the state portion for continuing health insurance coverage.
- Participants are prohibited from returning to state employment
- SERIP was limited to Executive Branch employees and not available to employees of the Legislative Branch, Regents institutional employees, elected officials or Executive Branch employees covered by the State Police Officers Council (SPOC).

Eventually, 2,067 state employees took advantage of SERIP, representing potential savings of \$60 million. As departments adjust to this exodus in FY11, the Department of Management has implemented a strict plan that enforces overall savings by limiting the rehiring process to fifty percent of departures and new hires being paid at close to half of the salary of the departing person. Departments were required to submit plans to DOM before being allowed to replace any personnel.

To prepare for this epic early retirement plan, HRE conducted extensive cross-training and was able to employ two additional employees as technical staff in the effort to efficiently and effectively process these departures.

Consolidation and Efficiency in a Service Environment

Executive Order # 20 directed HRE to conduct evaluations and assessments on several initiatives, including:

- Launching an employee wellness initiative
- Requiring family enrollment in health insurance when spouses are both employees of the State of Iowa
- Evaluate the cost benefit of implementing a 10-hour, 4-day work week

Additionally, HRE expanded the use of webinar technology in order to provide better access to benefits-related information to state employees and, in the process, secured a more affordable webinar service provider. Another cost-saving measure involved implementing a web-based process for filing first reports of injury for workers compensation. This approach resulted in information reaching third party administrators much faster while simplifying the claim management process.

State Accounting Enterprise (SAE)

The State Accounting Enterprise (SAE) is the central steward of incoming and outgoing funds for the State of Iowa. In FY2010, in the midst of historic economic challenges that translated into precipitously low revenue, SAE's mission was particularly challenging.

Primary responsibilities of SAE include:

- **Centralized Payroll** – Processing over a half million payroll warrants a year for an annual payroll, including benefits, totaling more than \$1.5 billion
- **Offset Program** – In FY2010, this program reclaimed \$25,863,568
- **Financial Reporting** – Compiles and produces the State's Comprehensive Annual Financial Report (CAFR), a critical document in determining Iowa's ability to bond and borrow

A Demand for Flexibility

Most observers would agree that the profession of accounting – monitoring numbers, trends and a diligent focus on budgets and balancing – is not known to be particularly flexible or adaptive. Nevertheless, challenges faced by virtually every agency within the executive branch required SAE to be flexible and able to adapt to particular needs and special circumstances quickly and accurately.

As the primary authority for the State's Central Payroll (excluding the Department of Transportation, Regents institutions, State Fair Board and Community Based Corrections), SAE worked closely with customer agencies as they met the furlough requirements set forth by the Governor and agreements with two of the three labor unions representing state workers. This involved providing reports on unpaid leave taken and if agencies and employees were appropriately following prescribed processes. Fortunately, modifications made to HRIS, a decades-old system for reporting work time, allowed SAE to eliminate the need to manually calculate overtime when furlough hours were being used.

Additionally, SAE has been at the center of the implementation process for SERIP, maintaining communication with retirees to ensure they receive their benefits and to monitor any oversights with regard to qualifying for those benefits. The persistence and dedication of SAE to properly administer the early retirement program was exemplified by one case where a retiree who had overlooked some basic paperwork had to be tracked to another state through several contacts in order to meet mandated standards. This extra effort clearly demonstrated the SAE commitment to customer service and satisfaction. This dedication continues into FY2011 as successive elements of the SERIP program are completed.

A Dependable Resource

In FY2010, SAE experienced a clear escalation in requests for financial reports and perspectives from the Department of Management, the Office of the Governor and the Legislature. While responding to these requests promptly and accurately, the increase also put additional strain on the normal production process of SAE, including monitoring all incoming revenue and implementing standard processes. The combination of budget cuts, early retirement and requests for information have affected the speed with which SAE responds.

Executive Order #20 required SAE to estimate any savings that could be realized from shifting the State of Iowa pay schedule from bi-weekly to semi-monthly (eliminating two payroll processes a year). It was determined that the costs of converting and the time required to amend the collective bargaining process would far outweigh any potential savings.

The Offset Program administered through SAE saw a marked increase in revenue, due in part to the Legislature lowering the threshold for checking indebtedness against casino winnings from \$10,000 to \$1,200. While this

(SAE continued)

lower level created new challenges for businesses (according to some reports), it also increased the level of re-claimed money to \$25,863,568 for the fiscal year.

Comprehensive Annual Financial Report

SAE is responsible for compiling the Comprehensive Annual Financial Report (CAFR), an in-depth view of the state's overall financial health. In past years, Iowa's CAFR has received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (16 consecutive years). This certification contributes to Iowa's ability to maintain the best possible bond ratings, which are critical to planning and building the state's infrastructure. In FY2010, this streak was interrupted as the Auditor of the State was unable to provide a completed report due to claims of insufficient funding necessary to issue a full audit opinion. The eventual impact of receiving a qualified audit opinion is yet to be determined.

Looking Forward

In 2003, when the entrepreneurial model was first introduced in Iowa state government, DAS encountered considerable pushback from customer agencies. They were unaccustomed to ‘paying’ for things such as office space, human resource services and various products and services central to doing business. Over time, however, there has been a steady process of adjustment (if not approval) and, at the very least, agencies are more cognizant of the importance of operating within their budgets and instituting improved efficiencies within their own operations.

This assumption has been reinforced by the research and report submitted by Public Works, with one of its recommendations being to simplify the entrepreneurial model. Working with the DAS Customer Council, this will continue to be a primary goal. As state governments across the nation continue to struggle with a slowly recovering economy, the importance of developing new strategies for serving the public efficiently and effectively becomes more critical. By implementing customer-focused approaches to the public sector, waste and duplication can be reduced.

Following SERIP, the Executive Branch of state government will experience a net reduction of over 1,000 employees. As we move forward, it will be the duty of every agency and department to do more with less by continuing to implement technology-based solutions as well as a renewed commitment to responsible state government with a central focus of serving the people of Iowa by providing the best possible services, information and protection. As a primary engine for supporting the various missions of agencies dealing directly with the citizens of Iowa, DAS will continue its own mission of providing the best possible administrative support.

DAS Financials

The following three pages report DAS financials, including:

- General Operations (non-infrastructure)
- Infrastructure
- DAS Utility rates from Fiscal Year 2005 - Fiscal Year 2012

GENERAL OPERATIONS (Non Infrastructure)

	FY2010	FY2009	FY2008	FY2007	FY2006	FY2005	FY2004
BALANCE BROUGHT FORWARD							
Balance Brought Forward	\$34,795,908	\$36,892,641	\$37,486,231	\$33,494,287	\$36,647,396	\$23,709,756	\$18,050,794
Adjustments to Balance Brought Forward	\$79,506,708	\$8,289	\$2,108	(\$207,682)	(\$57)	\$621,053	\$476,067
Reversions	\$0	\$0	\$0	\$0		\$89,416	\$1,103,583
ADJUSTED BEGINNING BALANCE BROUGHT FORWARD	\$114,302,616	\$36,900,930	\$37,488,339	\$33,286,605	\$36,647,339	\$24,420,225	\$19,630,444

RESOURCES

Appropriations and Appropriation Adjustments Receipts

\$16,496,873	\$16,207,158	\$17,455,639	\$12,560,889	\$15,869,333	\$22,559,337	\$33,748,326
\$1,408,153,890	\$190,821,629	\$185,255,733	\$170,036,798	\$155,066,670	\$142,684,087	\$114,970,424
\$1,424,650,763	\$207,028,787	\$202,711,372	\$182,597,687	\$170,936,003	\$165,243,424	\$148,718,750

DISPOSITION OF RESOURCES

Expenditures Appropriations & Appropriation Transfers Reversions

\$1,417,205,880	\$210,256,802	\$201,600,369	\$178,062,426	\$173,902,168	\$151,826,928	\$138,750,884
\$27,578					\$697,261	\$4,572,269
\$147,113	\$728,009	\$836,064	\$552,023	\$403,276	\$492,064	\$1,233,693
\$1,417,380,571	\$210,984,811	\$202,436,433	\$178,614,449	\$174,305,444	\$153,016,253	\$144,556,846

BALANCE CARRY FORWARD

Adjustment to Balance Carry Forward

\$121,572,808	\$32,944,906	\$36,991,136	\$37,486,231	\$33,277,898	\$36,647,396	\$23,792,348
	\$1,851,002	(\$98,495)				(\$82,592)
\$121,572,808	\$34,795,908	\$36,892,641	\$37,486,231	\$33,277,898	\$36,647,396	\$23,709,756

Footnotes:

- > Source of General Operations financial information is I3 - Schedule 6 SD (SD 030). This report now includes both departments 005 and 006. This is the first year the schedule 6 SD report has contained information for both departments. This is causing large variances compared to previous years.
- > Information above covers all DAS operations, excluding infrastructure and fund 506.
- > FY07 includes an adjustment to BBF of -\$216,389 for fund 506.
- > Balance Rolled Forward amounts reflect the balances in various Revolving and Internal Service funds such as; IT Technology, Utility Services, & Fiduciary funds.
- > FY08 includes an adjustment to BCF for fund 506.
- > FY09 includes an adjustment to Balance Carry Forward (BCF) for fund 506 that is no longer reported under Special Department 030SD. The balance carry forward for fund 506 has been moved to Special Department 954SD
- > FY10 includes an adjustment to Balance Brought Forward (BBF) to bring the amount up to the actual amount carried forward from FY09. This adjustment is due to the report change to include department 006.
- Going forward the data warehouse pulls should include a wildcard for the department to ensure that both department 005 & 006 are included in the data.
- > FY10 Receipts total includes receipt information from both dept 005 and 006 causing a large variance from previous years information. This is the first year the the schedule 6 SD report has contained information for both departments.

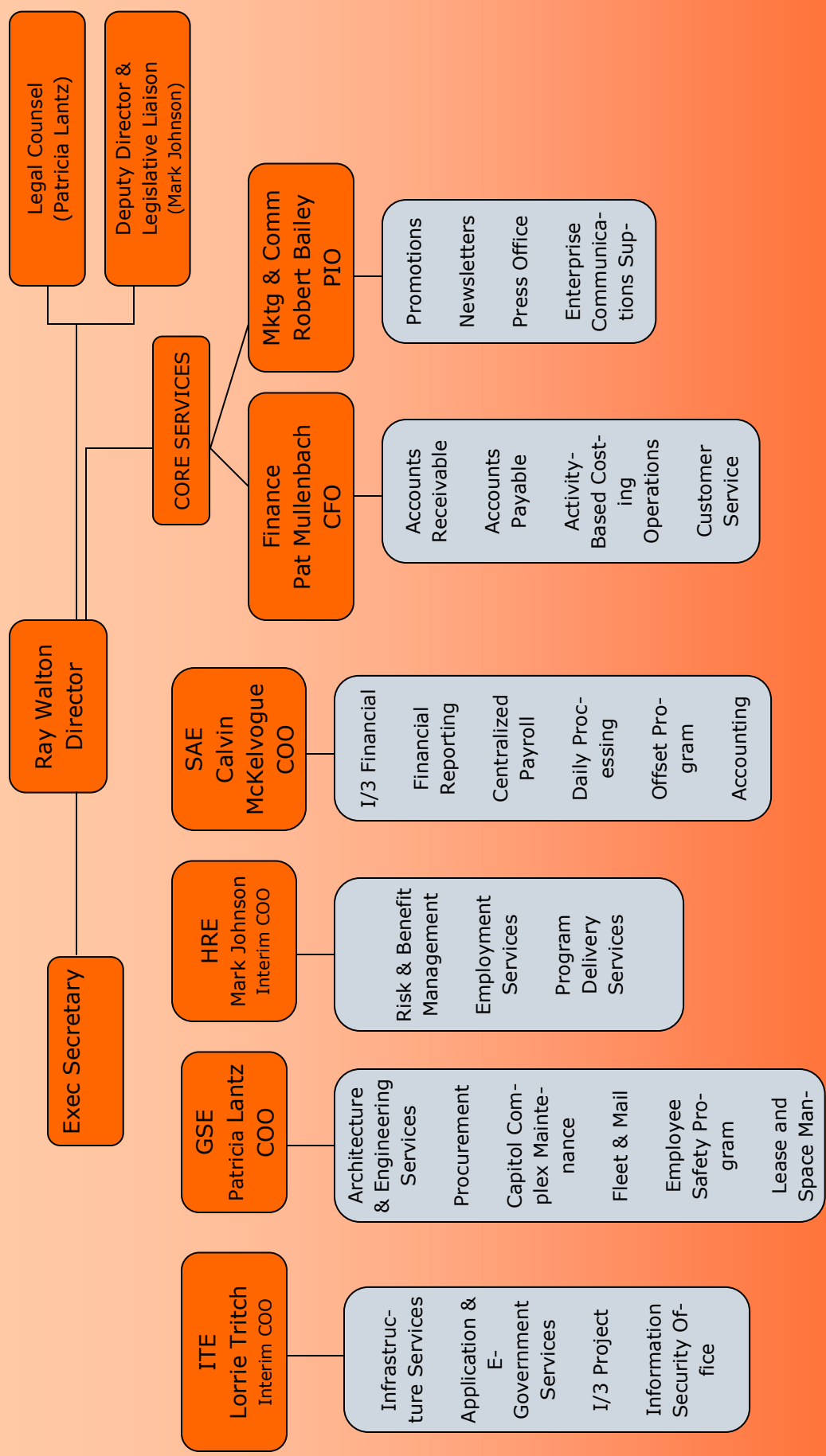
INFRASTRUCTURE						
	FY2010	FY2009	FY2008	FY2007	FY2006	FY2005
BALANCE BROUGHT FORWARD						
Balance Brought Forward	\$44,063,310	\$108,333,742	\$77,087,185	\$34,375,971	\$30,375,807	\$44,222,845
Adjustments to Balance Brought Forward	\$1,825,113		-216,389	\$216,389		
ADJUSTED BEGINNING BALANCE						
BROUGHT FORWARD						
	\$45,888,423	\$108,333,742	\$76,870,796	\$34,592,360	\$30,375,807	\$44,222,845
RESOURCES						
Appropriations, Transfers & Supplementals	\$30,100,134	(\$18,312,347)	\$71,928,827	\$80,239,047	\$37,703,815	\$17,462,117
Receipts	\$22,820,824	\$10,574,084	4,993,510	7,329,276	19,399,770	12,038,025
TOTAL RESOURCES						
	\$52,920,958	(\$7,738,263)	\$76,922,337	\$87,568,323	\$57,103,585	\$29,500,142
DISPOSITION OF RESOURCES						
Expenditures	\$59,231,438	\$54,353,566	\$45,434,789	\$44,564,555	\$53,364,524	\$43,362,179
Reversions & Appropriations Transfers	\$39,904	\$609,783	24,602	508,943	1,575	0
TOTAL DISPOSITION OF RESOURCES						
	\$59,271,342	\$54,963,349	\$45,459,391	\$45,073,498	\$53,366,099	\$43,362,179
BALANCE CARRY FORWARD						
Adjustment to Balance Carry Forward	\$39,538,039	\$45,632,130	\$108,235,247	\$77,087,185	\$34,113,293	\$30,360,808
ADJUSTED BALANCE CARRY FORWARD						
WARD						
	\$39,538,038	\$44,063,310	\$108,333,742	\$77,087,185	\$34,375,971	\$30,375,807
						\$44,222,845

Footnotes:

- > Source of Infrastructure financial information is I3 - Schedule 6 (SD 954)
- > Fund 506 is part of SD 030 and is included in the operations data, however fund 506 is used to account for pass-through funds for Infrastructure.
- > Infrastructure involves projects throughout the State of Iowa, some that are funded by direct appropriations to DAS, and some that are funded by direct appropriations to the benefiting agency and transferred to DAS. Other projects are funded by a combination of appropriations & additional funds contributed by the benefiting agency.
- > Infrastructure involves multi-year projects and therefore the funding is appropriated to be spent over a period of time, usually 4 years. The year end Balance Brought Forward reflects the total amount unobligated from all the multi-year funded sources that have been appropriated to the Department of Administrative Services.
- > FY06 expenditures have been adjusted upward & BCF downward on this report by \$6,066 to match Schedule 6 SD report pulled for FY07 information.
- > FY06 adjustment to BCF was included to match actual FY07 BBF amounts on schedule 6 SD report
- > FY08 adjustment to Balance Brought Forward (BBF) includes reversing previous \$216,389 adjustment to BBF in FY07
- > FY08 includes an adjustment to Balance Carry Forward (BCF) for fund 506 that is no longer reported under Special Department 030SD. The balance carry forward for fund 506 has been moved to Special Department 954SD
- > FY09 includes an adjustment to Balance Carry Forward (BCF) for fund 506 that is no longer reported under Special Department 030SD. The balance carry forward for fund 506 has been moved to Special Department 954SD
- > FY10 includes an adjustment to Balance Carry Forward (BBF) to bring the beginning FY 10 up to the actual BCF from FY09.

DAS UTILITIES	BASIS FOR RATE CALCULATION	Notes	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
State Accounting Enterprise (SAE)										
Integrated Information for Iowa (I/I3)	Annual allocation starting in FY07	2	\$106.44	\$103.68	N/A	N/A	N/A	N/A	N/A	N/A
Information Technology Enterprise (ITE)										
Directory Services	FT & PT Perm Employee	3	\$9.48	\$9.00	\$9.40	\$8.26	\$7.88	\$6.75	\$6.75	\$6.75
Information Security Office (ISO)	FT & PT Perm Employee	11	N/A	N/A	\$10.41	\$12.76	\$16.58	\$16.22	\$14.45	\$20.55
Service-Oriented Architecture (SOA)	64% = FTE; 36% = agency usage	New						\$4.27	\$4.27	\$4.27
Authentication & Authorization (A&A)	64% = FTE; 36% = agency usage	New						\$4.67	\$5.11	\$5.11
Human Resources Enterprise (HRE)										
Benefits	FT & PT Perm Employee *		\$27.24	\$32.88	\$28.80	\$34.80	\$34.80	\$29.40	\$29.40	\$29.40
Personnel Officers ("Program Delivery" in FY05)	FT & PT Perm Employee *	11	\$60.24	\$60.96	\$65.88	\$71.28	\$71.28	\$74.28	\$74.28	\$74.28
Labor Relations	FT & PT Perm Employee *		\$29.28	\$25.32	\$31.56	\$21.84	\$21.84	\$20.04	\$20.04	\$20.04
Employment Services		4	\$68.04	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Employment Services - Merit Only	FT & PT Perm Employee *	11-Apr	N/A	\$17.76	\$19.68	\$18.48	\$18.48	\$21.54	\$21.54	\$21.54
Employment Services - Merit and Non-Merit	FT & PT Perm Employee *	4	N/A	\$58.08	\$60.12	\$58.92	\$58.92	\$59.28	\$59.28	\$59.28
Health Insurance Surcharge	Per participant		\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00
Golden Dome		5	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
Unemployment	Annual allocation		N/A	N/A	N/A	N/A	N/A	N/A	\$1.25	\$1.25
Workers' Compensation	Annual allocation	6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Flexible Spending	Per participant		\$51.12	\$51.12	\$51.12	\$51.12	\$51.12	\$51.12	\$51.12	\$51.12
General Services Enterprise (GSE)										
Association Fees - Office & Storage combined	Per square foot	7	N/A	N/A	\$3.43	\$3.10	\$3.10	\$3.29	\$3.29	\$3.29
Association Fees - Office Space	Per square foot	7	\$3.15	\$3.51	N/A	N/A	N/A	N/A	N/A	N/A
Association Fees - Storage Space	Per square foot	7	\$2.20	\$2.72	N/A	N/A	N/A	N/A	N/A	N/A
Association Fees - Ankeny Lab	Per square foot		N/A	\$5.69	\$5.57	\$5.26	\$5.26	\$5.26	\$5.30	\$5.47
Purchasing	Annual allocation	6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mail Services	Annual allocation	6	\$0.04	\$0.07	N/A	N/A	N/A	N/A	N/A	N/A
Blanket Bond	FT & PT Perm Employee	8	N/A	\$1.64	\$2.06	\$2.14	\$2.13	\$1.58	\$1.58	\$1.58
Fleet - Risk Management	Per active vehicle		N/A	\$209.28	\$209.28	\$288.00	\$288.00	\$288.00	\$318.12	\$318.12
Leasing, Fee at Seat of Govt.	Per square foot		\$0.19	\$0.12	\$0.11	\$0.11	\$0.10	\$0.12	\$0.12	\$0.12
Fleet Management	Per active vehicle		\$183.36	\$239.04	\$225.00	\$176.76	\$176.76	\$256.44	\$244.92	\$244.92
Fleet Depreciation	Per active vehicle	9	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Design & Construction Services	Per hour	10	N/A	\$60.22/hr	\$116.85/hr	\$83.84/hr	\$83.84/hr	\$83.84	\$83.84	\$83.84
Leasing, Fee Outside Seat of Govt.	Per hour		\$41.60/hr	\$50.90/hr	\$50.90/hr	\$61.90/hr	\$61.90/hr	\$61.90	\$61.90	\$61.90
Motor Pool	Size of Vehicle/rate per Mile	New							N/A	N/A
State Garage	Hourly Rate	New							\$64.00	N/A
Surplus State Property	Actual costs	New							N/A	N/A

Iowa Department of Administrative Services



EXECUTIVE ORDER NUMBER 20

WHEREAS, the people of Iowa expect that their state government will efficiently provide services and will be accountable in the use of taxpayer dollars; and

WHEREAS, great fiscal challenges face state government as the result of expenses caused by unprecedented natural disasters and a severe international recession caused by reckless acts by Wall Street speculators; and

WHEREAS, these expectations and challenges require changes in the ways that state government agencies conduct business, including the elimination of costly and inefficient practices and the creation of new and better ways to serve the people of the state; and

WHEREAS, innovative, efficient and dynamic ways to govern state agencies can be achieved best when skilled and dedicated governmental employees are challenged to improve the operations and accountability of their workplaces; and

WHEREAS, the Culver-Judge Administration engaged with its own employees, has communicated with members of the Iowa General Assembly, and has retained outside expertise to identify areas of state government operations that can be improved to make the delivery of needed services more cost-effective and more accountable to the people of Iowa; and

WHEREAS, those processes have resulted in the "Iowa Efficiency Review Report," which presents a series of recommendations that, if entirely implemented, will result in at least \$340 million dollars of real savings within the first year, while improving the delivery and transparency of state government services; and

WHEREAS, some of those recommendations may be implemented now, by means of executive agency action, rather than by awaiting action and approval from the Iowa General Assembly; and

WHEREAS, given the reasonableness of the public's expectations and the enormity of the fiscal challenges facing our state, it is both prudent and necessary that those recommendations that can be implemented without need for statutory changes should now be implemented:

NOW, THEREFORE, I, Chester J Culver, Governor of the State of Iowa, by virtue of the power and authority vested in me by the Constitution and statutes of the State of Iowa, do hereby issue this Executive Order, to become effective immediately:

The Directors of the Department of Administrative Services (DAS) and the Department of Management (DOM), working with affected state government agencies, shall jointly identify and implement a series of practical measures, which shall include, but not necessarily be limited to, those measures outlined in the Iowa Efficiency Review Report that do not require legislative action, to improve state agency performance of programs and operations, to reduce total costs of state government operations, to increase productivity, to improve services and to make state government more responsive and accountable to the public.

The measures identified pursuant to paragraph 1, above, shall be implemented by DAS and DOM and shall include, but shall not necessarily be limited to, the following:

- A. Consolidate Information Technology (IT) planning and operations to the extent reasonably possible;
- B. Consolidate all state e-mail systems;
- C. Consolidate wireless equipment purchasing and service contracts;
- D. Negotiate statewide IT technology service contract;
- E. Negotiate statewide IT and office equipment maintenance contracts;
- F. Increase the use of new technologies such as Thin Client Technologies;
- G. Reduce the size of the state motor vehicle fleet and change mileage and take-home policies;
- H. Consolidate Department of Natural Resources (DNR) offices in Des Moines;
- I. Require state agency purchasing from master contracts;
- J. Improve the state's debt collection practices;
- K. Join multi-state lawsuit on escheat of unclaimed U.S. Bonds;
- L. Strengthen Medicaid integrity efforts;
- M. Ensure that Iowa is getting the best purchase prices for required Medicaid medical equipment;
- N. Modify the Medicaid Durable Medical Equipment rental versus purchase policies;
- O. Update Nursing Home Recoverable Cost Regulations to assure that the state's financial interests are fully protected;
- P. Claim federal reimbursement for eligible inmate hospital care;
- Q. Modify Medicaid prescription drug purchasing;
- R. Reinstate the use of telemedicine services between the Department of Corrections and the University of Iowa Hospitals and Clinics;
- S. Modify child support and recovery funding;
- T. Increase the Juvenile Court Services' claims for Title IV-E reimbursement;
- U. Claim Title IV-E reimbursements for eligible placements and license all relative homes;
- V. Eliminate the least efficient state print shops;

- W. Consolidate administrative functions at DHS institutions;
- X. Modify and simplify the entrepreneurial model;
- Y. Modify warehouse policies to take advantage of the newest techniques to reduce costs;
- Z. Consolidate state agency mailrooms and modify mail delivery policies;
- AA. Reduce spending on periodicals and subscriptions;
- BB. Reduce architecture, engineering and attorney contracts when cost-benefit ratios indicate that the state can perform the work at reduced costs;
- CC. Require state employees to pay for safety courses when they have been required due to employees' driving violations;
- DD. Reduce the number of Human Resource staff members in agencies and departments;
- EE. Expand the use of state garages to reduce the costs of contracted private garages;
- FF. Conduct energy efficiency retrofits for state buildings;
- GG. Require newly-hired state employees to use payroll direct deposit;
- HH. Conduct an audit of state employee health insurance enrollees to identify ineligible dependents;
- II. Improve the coordination of law enforcement at state parks;
- JJ. Increase the number of volunteer and intern programs at state parks;
- KK. Accelerate assessments for compliance violations under Iowa's Workers' Compensation Law;
- LL. Improve collection processes for Unemployment Taxes;
- MM. Encourage larger state agencies to support budget, accounting and pre-audit services for smaller state agencies;

3. The Directors of DAS and DOM, working with affected state government agencies, shall further analyze and evaluate for potential savings and revenue generation opportunities which matters shall include, but shall not necessarily be limited to, the following:
 - A. Launch Employee Wellness Initiatives;
 - B. Require family enrollment in health insurance when spouses are both employed by the State of Iowa;
 - C. Reduce or eliminate deferred compensation contribution for non-contract employees;
 - D. Evaluate the cost benefit of going to a 10-hour, 4-day work week; and
 - E. Pay employees on a semi-monthly basis rather than bi-weekly.
4. DAS and DOM shall issue to the Governor's Office an Initial Report outlining specific plans for implementing this Order, which document shall include timelines for implementing, analyzing, or evaluating each of the above-described actions and whether the actions can be achieved in another manner. Further, the Initial Report shall identify any additional measures, not otherwise identified in the Iowa Efficiency Review Report, that DAS and DOM believe can be initiated without need for statutory changes that, if implemented, will have the effect of improving state agency performance in the delivery of services and offering a plan for the implementation of said additional measures.
5. Thereafter, starting on June 1, 2010, and semi-annually thereafter, the Directors of DAS and DOM shall issue to the Governor's Office a Semi-Annual Status Report, which document shall set forth additional pertinent and relevant information including, but not be limited to: the savings-to-date for each of the implemental actions as set forth in paragraph 2, above, and the anticipated future cost-savings for each action to occur in FY 2011 and beyond; and any analyses and evaluations for potential savings and revenue generation opportunities as set forth in paragraph 3, above. Further, any Report shall identify any additional measures that Directors of DAS or DOM believe can be initiated that could have the effect of improving state agency performance in the delivery of services and offering a plan for initiating said measures.

All reports described herein shall be posted on the Governor's Office's website: www.governor.iowa.gov, and shall invite comments by state government employees and members of the general public.